

# Indiana Partnership News Flash

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## Letter from the Director

Welcome to the 3<sup>rd</sup> Quarter 2010 newsletter from the Indiana Partnership Program. Health care reform is progressing as the dependent children date has passed with additional reform deadlines looming. Our next newsletter will go into more detail on how long term care is affected by health care reform under PPACA (aka ACA).

With tremendous sadness, we are announcing the passing of Indiana Insurance Commissioner Carol Cutter on September 6, 2010. Commissioner Cutter spent decades in the insurance industry working in both the property-casualty and life/health fields. She was very active in insurance organizations on the local and state level as well as a respected member of the NAIC.

Carol became a Deputy Commissioner for Health for the IDOI in 2005. Governor Mitch Daniels appointed her as Insurance Commissioner in June 2009, a position she held until her passing. Carol brought a wealth of experience and expertise to the Department and dedication to the insurance industry.

The IDOI is fortunate to introduce Stephen Robertson who was appointed Commissioner on October 13, 2010 by Governor Mitch Daniels. Commissioner Robertson is a licensed attorney in Indiana and Nebraska. His insurance career began with the Nebraska Department of Insurance in 1977 and he departed as General Counsel to the Health Insurance Association of America in 1980. Prior to joining the Indiana Department of Insurance in February 2008, he worked with several insurance companies from 1994-2006.

The State Health Insurance Assistance Program (SHIP) is in our spotlight this month. This is an excellent national network of volunteer counselors across the state capable of providing information and answers on senior issues and problems. They can be a valuable resource for you and consumers.



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## Partnership Office Update

### ❖ **New Partnership Policies**

The Partnership office recently approved new Partnership policy filings. In August 2010, Genworth's group Partnership policy was approved. Also just recently, two new Partnership policies were approved for Bankers Life and Casualty.

### ❖ **LTC Education Awareness Letter**

The LTC consumer awareness campaign is approaching the one year mark. Since the start of the campaign in September 2009 to August 2010, a total of 662,260 letters have been mailed. The return response rate including reply cards and phone calls is close to 2.8%. This far exceeds the national average for direct mailers of less than 1%. We welcome any comments or suggestions you have on this campaign. The next newsletter will include a more detailed campaign analysis. Licensed producers can participate by enrolling at [www.tlleadmanager.com](http://www.tlleadmanager.com) or calling 800-723-5254.

## NATIONAL NEWS

### ❖ **Industry News**

Metlife announced on November 11, 2010 they will be discontinuing the sale of new long term care insurance

coverage. MET will continue to accept new applications for individual LTCI policies received on or before December 30, 2010. Also in 2011, MET will discontinue new enrollments into existing group and multi-life LTCI plans. This decision will have no impact on existing insureds' coverage.

Rate increases on long term care policies continue to be a concern at the State level and the dilemma is now under review at the Federal level. John Hancock Life Insurance Company recently announced their intent to file for an average 40% rate increase on LTC in all states after an extensive claim review study. In Indiana, this filing includes both traditional and Partnership policies except for their Leading Edge Partnership form.

### ❖ **Health Care Reform**

The CLASS Act, a long term care provision in the health care bill package, is still in the development stage. Two bills have been introduced to repeal the CLASS Act. S.B. 3829, the Long Term Care Bailout Prevention Act sponsored by Sen. Lindsey Graham (R-SC) was introduced in September. On the House side, Rep. Charles Boustany (R-LA) introduced H.R. 5853, the Fiscal Responsibility and Retirement Security Act in July. This bill would require the government to shut down the CLASS Act if government actuaries declare the program unsound.

## 2011 Figures

### MEDICARE Part A

Hospital deductible	\$1,132 per benefit period
Hospital co-insurance for days 61-90	\$ 283 per day
Hospital co-insurance for days 91-150	\$ 566 per day
Recipient pays 100% of all costs for each day beyond 150 days	
Skilled nursing facility co-insurance Days 21-100	\$ 141.50 per day

### MEDICARE Part B

Premium varies by income (Standard Premium based on individual income <\$85,000)	\$ 96.40 per month
Deductible	\$ 162 per year

### Indiana Medicaid

Financial criteria for the Aged, Blind and Disabled category

	Individual	Married Couple
<b>Income:</b>	\$ 690 per month	\$1,027 per month
<b>Countable Assets:</b>	\$1,500	\$2,250

### Spousal Impoverishment Protection Law (as of 1/1/2011)

Spouse is institutionalized and the other remains in the community:

	Community Spouse	Institutional Spouse
<b>Income:</b>	Minimum: \$1,823 per month Maximum: \$2,739 per month	\$52 for personal Excess above \$52/month goes to institution
<b>Assets:</b>	Minimum: \$21,912 Maximum: 50% up to \$109,560	\$1,500

### Indiana Partnership Program (ILTCIP) (eff. 1-1-2011)

Minimum daily nursing home benefit: \$115  
State-set dollar amount for total asset protection: \$263,990

### HIPPA FEDERAL TAX DEDUCTION LIMITS (2010 Tax Year)

Attained Age Before End of 2010 Tax Year	Tax Year Premium Deduction Limit
40 or less	\$ 330
41 – 50	\$ 620
51 – 60	\$1,230
61 – 70	\$3,290
70 +	\$4,110

Per diem limit - \$290

Deductible for self-employed – 100% (up to limit in chart above)

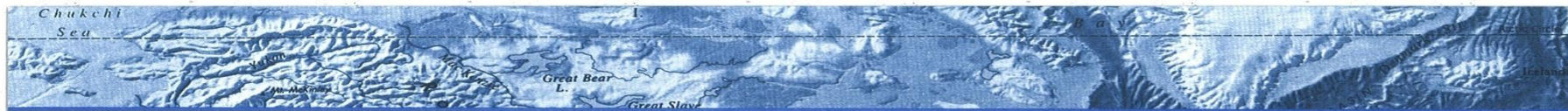
#### State Tax Deduction for Indiana Partnership Policy Owners

Beginning with tax year 2000, premiums paid for Indiana Partnership long term care policies during the taxable year can be taken as a deduction (not credit) on the Indiana State tax form when filing Form IT-40. The **deduction** is listed on Schedule 1 and 2 under “Other Deductions” using code #608. To qualify for the Indiana tax deduction, the Partnership policy will have the following language on the first page of the policy in bold print.

**THIS POLICY {CERTIFICATE} QUALIFIES UNDER THE INDIANA LONG TERM CARE INSURANCE PROGRAM FOR MEDICAID ASSET PROTECTION. THIS POLICY {CERTIFICATE} MAY PROVIDE BENEFITS IN EXCESS OF THE ASSET PROTECTION PROVIDED IN THE INDIANA LONG TERM CARE PROGRAM.**

A **self-employed** person can deduct the difference from the amount paid and deduction taken on a federal return for a tax qualified partnership policy.

# Topic Spotlight



Who says "What you don't know, can't hurt you?!" Most of us find the subject of insurance complicated and confusing. This is especially true of seniors trying to keep up with all of the changes in Medicare.

SHIP can help answer your questions and show you how to find out everything you need to know to make your own informed decisions and chart your own course.

## Who are your SHIP-mates?

A crew of volunteer counselors who have completed an intensive 24-hour training course and are certified by the Indiana State Department of Insurance. Regular training updates keep them current with the most recent changes in Medicare and other health care insurance options.

SHIP counselors are committed volunteers who offer you **FREE** and objective assistance, in complete confidence. They are not affiliated with any insurance agent or company, and will not sell or solicit for insurance. So, your name will never be passed along for commercial purposes.

## What can they do for you?

### *Your SHIP counselors can:*

- Answer questions about Medicare, Medicare Supplement Insurance, Medicare Managed Care Plans, Medicaid, long term financing options, and prescription coverage.
- Provide you with educational materials, a long term care insurance self-assessment guide, and current listings of insurance companies approved to sell various policies in Indiana.
- Show you how to evaluate the various Medicare supplement and long term care, and prescription insurance policies currently available.
- Help you understand and organize your medicare records.
- Educate you on how Medicare claims are filed and how you can appeal medicare decisions.
- Teach you to assess your needs so you can make informed decisions about your health insurance policies.

- Inform you of your rights as a Medicare beneficiary or health insurance policyholder.
- Refer you to appropriate agencies that can help you with other needs.

## Don't miss the boat!

Get the information you need to chart your own course. Call this toll-free number or, for one-to-one counseling, visit the SHIP Site nearest you.

**1 (800) 452-4800**



**LOCAL HELP FOR PEOPLE WITH MEDICARE**

STATE HEALTH INSURANCE  
ASSISTANCE PROGRAM





## Valuable Resource Information

As a LTC insurance professional, you can be an important resource for your clients and families. Below are helpful websites for long term care information.

A Place for Mom	<a href="http://www.aplaceformom.com">www.aplaceformom.com</a>
Areas on Aging	<a href="http://www.in.gov/fssa/da/3478.htm">www.in.gov/fssa/da/3478.htm</a>
CMS Caregiver Publication	<a href="http://www.medicare.gov/publications/pubs/pdf/11035.pdf">www.medicare.gov/publications/pubs/pdf/11035.pdf</a>
Indiana Dept. of Health	<a href="http://www.in.gov/isdh/23260.htm">www.in.gov/isdh/23260.htm</a>
Indiana Department of Insurance	<a href="http://www.in.gov/idoi">www.in.gov/idoi</a>
Indiana LTC Insurance (Partnership) Program	<a href="http://www.longtermcareinsurance.in.gov">www.longtermcareinsurance.in.gov</a>
IN LTC Ombudsman	<a href="http://www.in.gov/fssa/da3474.htm">www.in.gov/fssa/da3474.htm</a>
Partnership Expansion Map	<a href="http://www.dehpg.net/ltcpartnership/map.aspx">http://www.dehpg.net/ltcpartnership/map.aspx</a>
State Health Insurance Assistance Program (SHIP)	<a href="http://www.medicare.in.gov">www.medicare.in.gov</a>

